AGRC Certificate in Compliance - Syllabus

About the Association of Governance, Risk & Compliance (AGRC)

AGRC is a non-profit global professional accreditation & certification organization & networking platform. AGRC aims to facilitate the exchange of knowledge & sharing of experiences among Compliance, Risk & Governance professionals (GRC) with the goal of growing its community to ensure multi-jurisdictional regulatory compliance in the financial services & exchange values, experiences, expertise & professional opportunities.

Aim of the Certification

This certification aims to offer individuals with the necessary tools, information, and skills to become an in-demand professional for organizations looking to create or strengthen their compliance function. This certificate will provide participants with a thorough understanding of the elements of effective organizational compliance, including an in-depth exploration of its concepts, considerations, and strategies for assessing risks and managing the compliance function and its related programs.

Certificate & Training Hours

The recommended number of learning and training hours is 15 to 20. This does not include additional time studying, revising, and preparing for the exam. A candidate should expect to spend an additional 15 hours of studying time to pass the exam, depending on prior knowledge and/or work experience.

Exam Information

Type of Exam	Multiple-choice questions (MCQs)
Number of Questions	40 questions
Passing Grade or Mark	70/100
Exam Duration	60 minutes
Method of Delivery	Computer-based

Learning Objectives - Bloom Level

Based on **Bloom's Taxonomy**, AGRC's certificates prepares students to acquire knowledge that covers Bloom Levels 1, 2 and 3.

- **Level 1 - Remember:** Recall facts related to compliance and be able to define the main concepts involved in the compliance sector.
- **Level 2 - Understand:** Explain, describe, identify, and discuss the main ideas or concepts pertaining to the compliance function.
- **Level 3 - Apply:** Use, apply and implement the information acquired to new scenarios, and solve problems related to compliance and an organization's regulatory obligations.

Certificate Content

Chapter 1: The International Regulatory Environment (3 Hours)

Learning Objectives

The students will be able to do the following upon completion of this section:

- ✓ Explain the difference between rules-based and principles-based approaches to compliance.
- ✓ Understand the different models of self-regulation.
- ✓ Recognise the many international regulatory organisations and national authorities, their standards, and their roles within the industry.
- ✓ Describe the different types of supervision within a compliance function.
- ✓ Interpret a firm's regulatory requirements and what activities and products these are applied to.
- ✓ List and explain the most important legislations that must be complied with by companies in the financial services world.

1.1 Models of Regulation

- 1.1.1 Objectives of regulation
- 1.1.2 Law and regulation
- 1.1.3 Rules-based and principles-based approaches
- 1.1.4 Models of self-regulation
  - 1.1.4.1 Key elements of an effective self-regulatory model
  - 1.1.4.2 Islamic finance adoption of self-regulation

1.2 International Approach to Regulation

- 1.2.1 Jurisdiction of the different regulators
- 1.2.2 International regulatory organisations and standards
  - 1.2.2.1. G-20
  - 1.2.2.2. Financial Stability Board (FSB)
  - 1.2.2.3. Bank for International Settlements (BIS)
  - 1.2.2.4. International Organization of Securities Commissions (IOSCO)
  - 1.2.2.5. European regulatory bodies
  - 1.2.2.6. Professional bodies

1.3 Implementing Regulatory Objectives and the Approach to Supervision

- 1.3.1 Risk-based approach
- 1.3.2 Rules-based approach
- 1.3.3 Thematic supervision
- 1.3.4 Relationship-based supervision
- 1.3.5 Religion-based supervision

1.4 IOSCO's Principles Relating to the Regulator

1.5 Regulator Enforcement Powers

- 1.5.1 Inspection and compliance programmes

1.5.2 Comprehensive enforcement powers
1.5.3 International enforcement

1.6 Regulated Activities and Products

1.7 Regulatory Requirements on Firms
1.7.1 Authorisation (including licensing and registration) and supervision
1.7.2 Capital adequacy
1.7.3 Conduct of business rules and other prudential requirements
1.7.4 Internal compliance function

1.8 Regulation of Cross-Border Business
1.8.1 Home and host supervisors
1.8.2 Supervisory colleges

1.9 Key Legislations of Global Importance and Outreach
1.9.1 Sarbanes-Oxley Act (2002)
1.9.2 Markets in Financial Instruments Directive (MiFID II)
1.9.3 Foreign Corrupt Practices Act (FCPA) (1977)
1.9.4 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
1.9.5 Dodd–Frank Wall Street Reform and Consumer Protection Act (2010)
1.9.6 The Foreign Account Tax Compliance Act (FATCA) (2010)
1.9.7 European Market Infrastructure Regulation (EMIR)
1.9.8 Exchanges, Multilateral Trading Facilities (MTFs) and Systematic Internalisers (SIs)
1.9.9 Off-Market Transactions

Chapter 2: The Compliance Function (2.5 Hours)

Learning Objectives

The students will be able to do the following upon completion of this section:

- ✓ Define compliance and explain the different roles involved in an organisation's compliance function.
- ✓ Understand the key components and requirements related to the compliance function.
- ✓ Implement a sound and proper compliance programme, manual and set of policies for an organisation.

2.1 Key Aspects of the Compliance Function
2.1.1 Defining compliance
2.1.2 Key duties and responsibilities of a compliance function
2.1.3 Independence of the compliance function
2.1.4 Head of compliance
2.1.5 Responsibilities and accountabilities of management and staff
2.1.5.1 Understand how to Monitor whether a business is in compliance with regulations, internal policies, and procedures
2.1.5.2 Risks of non-compliance

2.1.5.3 Identification, measurement, and assessment of compliance risk
2.1.5.4 Compliance role in training
2.1.5.5 Non-compliance by individuals
2.1.5.6 Business development

2.2 Global Practices
2.2.1 Global guidance: Ten compliance principles
2.2.1.1 Responsibilities of the Board
2.2.1.2 Responsibilities of senior management
2.2.1.3 Adequate resources
2.2.2 Compliance manual and policies
2.2.2.1 Purpose and scope of the compliance manual
2.2.2.2 Communicating the formal status of the compliance function
2.2.2.3 Compliance monitoring programmes

Chapter 3: Practical Aspects of the Compliance Function (2.5 Hours)

Learning Objectives

The students will be able to do the following upon completion of this section:

- ✓ Demonstrate a good understanding of the practical aspects of the compliance function including integrating regulatory requirements and developing internal policies and procedures.
- ✓ Explain the regulatory implications of different business strategies.
- ✓ Execute proper management of an organisation's relationships with regulatory authorities.
- ✓ Describe how the compliance function differs for banking institutions and other financial service providers such as investment firms.

3.1 Integration of Regulatory Requirements

3.2 Regulations, Internal Policies, and Procedures

3.3 Regulatory Implications of Business Strategies
3.3.1 Outsourcing and oversight
3.3.2 Capital requirements
3.3.3 Variation of Permissions (VOPs)
3.3.4 Control framework
3.3.5 Preparing compliance reports
3.3.6 Access to information and personnel

3.4 Managing Regulatory Relationships
3.4.1 Regulator Relationships
3.4.1.1 How regulators manage the relationship with authorised firms
3.4.1.2 Building the relationship
3.4.1.3 Applications
3.4.1.4 Representations

3.4.1.5 Regulatory visits
3.4.1.6 Breaches
3.4.1.7 Confidential information

3.5 The Compliance Function for Investment Firms

3.6 The Compliance Function for Banking Institutions

Chapter 4: Financial Crime Risk (2.5 Hours)

Learning Objectives

The students will be able to do the following upon completion of this section:

- ✓ Discuss the role of international agencies in preventing financial crime.
- ✓ Understand the impact of financial crime on organisations.
- ✓ List and explain an organisation's responsibilities vis-à-vis the prevention of financial crime including the required policies, procedures, and controls.
- ✓ Implement sanction checks and an effective and proper handling of political exposed persons.

4.1 Role of International Agencies
4.1.1 United Nations Office on Drugs and Crime (UNODC)
4.1.2 International Monetary Fund (IMF)
4.1.3 World Bank
4.1.4 Financial Action Task Force (FATF)

4.2 Predicate Offences in Financial Crime

4.3 Misstatement of Financial Circumstances

4.4 Practical Implications: Impact of Financial Crime on Firms

4.5 Firms' Responsibilities for Financial Crime Prevention
4.5.1 Anti-money laundering (AML)
4.5.2 Combating financial crime (CFC)
4.5.3 Identifying and preventing money laundering
4.5.4 Money Laundering Reporting Officer (MLRO)

4.6 Sanctions Checking and Politically Exposed Persons (PEPs)

4.6 Policies, Procedures, and Controls Required of Firms
4.7.1 Risks posed to a firm
4.7.2 Understanding the controls
4.7.3 Effective training
4.7.4 Effective suspicious activity or transaction reporting

Chapter 5: Ethics, Integrity and Fairness (2.5 Hours)

Learning Objectives

The students will be able to do the following upon completion of this section:

- ✓ Understand what is meant by ethical behaviour and decision-making.
- ✓ Apply an ethical approach to the compliance function and implement an ethical culture within an organisation.
- ✓ Execute an effective ethics training programme.
- ✓ Describe corporate social responsibility.
- ✓ Define and execute a professional and fair code of conduct for an organisation.
- ✓ Identify a proper set of conflicts of interest policies for an organisation.

5.1 Regulatory Standards

5.2 Professional and Fair Codes of Conduct

5.3 Applying an Ethical Approach and Creating an Ethical Culture

5.4 The Advantage of Ethical Behaviour and Decision-Making

5.5 Senior Management and Ethical Standards

5.6 Corporate Social Responsibility (CSR) and Training

5.7 IOSCO Recommendations for Developing an Effective Ethics Training Programme

5.8 Market Integrity

5.9 Conflicts of Interest Policies

Chapter 6: Corporate Governance Perspectives (2.5 Hours)

Learning Objectives

The students will be able to do the following upon completion of this section:

- ✓ Define corporate governance and how to best monitor it.
- ✓ Understand the difference between unitary and two-tiered Boards.
- ✓ Describe the audit function's contribution to corporate governance.
- ✓ Recognize the many risks involved and their impact on the compliance function.

6.1 Monitoring Corporate Governance

6.2 Unitary and Dual (Two-Tier) Boards

6.3 Maintaining Independence

6.4 Audit Contribution to Governance

6.5 Corporate Governance Training

6.6 Key Risk Types, their Application, and Impact on the Compliance Function

6.7 Risks from Stakeholders and Third Parties

Chapter 7: Glossary of Terms

Chapter 8: Practice Questions